14. Four objection petitions have been received from the raiyats of the Taluk. The Revenue Commissioner and the Survey Superintendent report that the objections are of a general nature and do not require any special consideration.

15. Government have carefully considered the proposals of the Survey Superintendent and the suggestions made by the Deputy Commissioner. They are satisfied that the revised rates compare favourably with those in force in the adjoining taluks of Mandya and Seringapatam (non-nala) and are justified under the existing conditions in the taluk, under resettlement. Government are accordingly pleased to sanction the proposals of the Survey Superintendent in their entirety. The new rates will be announced as soon as possible and brought into effect from 1st July 1926, with the usual guarantee of 30 years.

16. The Irrigation Cess will not be levied separately on Government lands. It will be treated as merged in the revised wet and garden assessment and a lumpsum equivalent to the amount of the cess will be set apart towards the Irrigation Cess Fund.

B. SRINIVASA IYENGAR,
Secretary to Government,
Revenue Department.

FINANCIAL SECRETARIAT

Land Improvement and Takavi Loans.

READ—

Letter No. 1087—Loans, dated the 9th February 1921, from the Comptroller, submitting a detailed note pointing out defects in the system of accounts relating to Land Improvement and Takavi Loans and offering suggestions for removing them.

2. Note dated 16th February 1925, from the Officer in charge of Revenue Audit, making certain suggestions on the same subject.

ORDER No. Fl. 4230-45—G. F. 176-19, DATED 28TH JANUARY 1926.

The following orders are passed on the suggestions made in the notes read above :—

1. *Offices in which Personal Ledger Accounts of Land Improvement and Takavi Loans should be kept.*—The Comptroller proposes that after the accounts of these loans are reduced to order, his office may be relieved of the duty of maintaining detailed accounts for them and that its work may be limited to the verification of total credits and debits as recorded in Treasury Accounts. The Officer in charge of Revenue Audit recommends that it is sufficient if detailed accounts are kept in Taluk Offices and that it is not necessary that the District Offices should also be required to keep the same accounts. The present condition of these accounts is not satisfactory. Government do not consider it desirable to dispense with the system of maintaining individual ledger accounts in any of the three offices. The present system will therefore continue and the question whether either the Comptroller's Office or District Offices or both can be relieved of this work will be considered after agreement is secured between the accounts as now kept in all the three offices.

2. *Method of accounting for recoveries.*—Divergent methods are at present followed by Taluk and District Offices on the one hand and by the Comptroller's Office on the other, in classifying recoveries towards equated payments into interest and principal. In recording instalments in the loan ledgers the Taluk and District Offices do not split them up into principal and interest. The Comptroller's Office however classifies the instalments into these two parts. Thus there is no means of agreeing the accounts kept in the Comptroller's office with those in other offices. The total amount due including principal and interest should be treated as a single demand and accounted for as such under the loan head and after all the equated payments towards a loan are received, the excess over the principal which represents the interest received should be transferred to the Revenue Head of Interest. The rebate of interest on account of instalments paid in advance will be calculated, in consultation with the Comptroller, after the whole loan is repaid and allowed when the account is finally closed. The Comptroller is requested to give effect to this arrangement in communication with District and Taluk Offices.

3. *Number of instalments in which loans may be permitted to be drawn and the interval between instalments.*—The rule that loans sanctioned should be drawn in not more than two instalments should be strictly enforced. The maximum interval between the two instalments should not exceed two years.

4. *Interest on instalments up to the date from which equated payments come into force.*—The equated payment due should not be fixed when the first instalment of a loan is sanctioned or drawn, and it should be fixed only after the second instalment is actually drawn. The authority sanctioning a loan should review the position when the second instalment is drawn and calculate the simple interest due on the instalment or instalments up to one year previous to the date fixed for commencement of repayment, and arrange for recovering it along with the first equated payment.

5. *Issue of cheques and dates from which period of loans should be calculated.*—The dates from which loans should be taken to commence are those on which the relevant cheques are cashed and not those of issue of cheques.

Except in the case of loans sanctioned by Government or by the Revenue Commissioner, the authorities sanctioning loans should themselves issue cheques for amounts sanctioned. But all cheques, by whomsoever issued, should be drawn on the respective Taluk Treasuries only, so that the record of disbursement of loans of each taluk may be complete in that taluk.

The system of sending to Treasuries separate advices for cheques drawn on them is unnecessary and may be discontinued.

6. *Use of special challans for credit of instalments.*—The use of the special challan form prescribed in Government Order No. R. 1245-55—Agri. 2-10-2, dated the 25th August 1910, should be strictly insisted upon. The production of the Loan Order Form along with every instalment should be required and every item of transaction in connection with a loan should be noted in it under the initials of the Amildar as provided for in the form. The particular class of loans under which the recovery should be taken should be prominently noted at the top of the challan form.

7. *Penal interest.*—Although it is the general principle of Government loans that the demand on account of penal interest should first be satisfied, yet in the case of these loans where the discharge of principal with ordinary interest is by means of equated payments, it is best to keep the penal interest distinct and recover it separately and not adjust it from any instalment of equated payments.

8. *Remission of loans.*—The Comptroller complains that the authorities competent to sanction remissions do not report to him the orders passed by them and states that this is another cause of divergence between his figures and those of District and Taluk Offices. The authorities competent to sanction remission of loans should invariably send to the Comptroller copies of their orders allowing remissions.

9. *Watch over outstandings.*—It is reported that the watch over the outstandings of these loans is not prompt and efficient. The primary responsibility for attending to this work lies on the Amildar. Sub-Division Officers and Deputy Commissioners should invariably examine Loan Ledgers when they inspect Taluk Offices.

An annual return for each class of loan showing the Demand, Collection and Balance for each taluk should be submitted in the first week of September by Deputy Commissioners to the Revenue Commissioner after getting it verified by the Comptroller. The Revenue Commissioner should review these returns and submit to Government in the first week of October a consolidated statement showing the Demand, Collection and Balance of each district together with a copy of the orders issued by him to Deputy Commissioners.

10. *Staff for reducing the work to order.*—The accounts of these loans are stated to be in a bad condition in Taluk and District Offices and for overhauling them and for securing agreement between the books of the different offices, Government are pleased to sanction two hands temporarily for a period of three months (one Accountant and one Accounts Clerk) who should be deputed by the Comptroller to the District, the accounts of which require in his opinion to be overhauled first.

A report should be submitted to Government regarding the work done by the two hands in the three months for which their employment is sanctioned.

M. N. KRISHNA RAO,
Financial Secretary to Government.

PUBLIC WORKS SECRETARIAT.

Administration Report of the Electrical Department.

READ—

Letter No. 10758, dated the 25th October 1925, from the Chief Electrical Engineer submitting the Administration Report of the Electrical Department for the year 1924-25 after verification of the figured statements in the Financial branch of his office.